

AURORA CITY
FINANCIAL STATEMENTS
JUNE 30, 2015

C O N T E N T S

	Page
INDEPENDENT AUDITOR'S REPORT	4
MANAGEMENT'S DISCUSSION AND ANALYSIS	6
BASIC FINANCIAL STATEMENTS:	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
STATEMENT OF NET POSITION	19
STATEMENT OF ACTIVITIES	20
FUND FINANCIAL STATEMENTS:	
BALANCE SHEET - GOVERNMENTAL FUNDS	21
GOVERNMENTAL BALANCE SHEET RECONCILIATION TO STATEMENT OF NET POSITION	22
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS	23
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	24
STATEMENT OF NET POSITION - PROPRIETARY FUND	25
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUND	26
STATEMENT OF CASH FLOWS - PROPRIETARY FUND	27
STATEMENT OF FIDUCIARY NET POSITION - AGENCY FUND	28
NOTES TO FINANCIAL STATEMENTS	29

C O N T E N T S

	Page
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED):	
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETS	55
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL:	
GENERAL FUND	56
MUNICIPAL BUILDING AUTHORITY FUND	58
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	59
SCHEDULE OF CONTRIBUTIONS	60
COMBINING FINANCIAL STATEMENTS AND SCHEDULES	
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND	62
COMPLIANCE SECTION:	
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	64
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE IN ACCORDANCE WITH THE <i>STATE COMPLIANCE AUDIT GUIDE</i> ON COMPLIANCE WITH GENERAL STATE COMPLIANCE REQUIREMENTS AND ON INTERNAL CONTROL OVER COMPLIANCE	66

Kimball & Roberts

A Professional Corporation
Certified Public Accountants
176 North Main • P.O. Box 663
Richfield, Utah 84701

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
Aurora City
Aurora, Utah 84620

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Aurora City, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's financial statements as listed in the table of contents. These financial statements are the responsibility of Aurora City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund and aggregate remaining fund information of Aurora City at June 30, 2015, and the changes in financial position and cash flows, thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.


Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion, Analysis and budgetary comparison information, and Utah Retirement Systems pension liability and contribution information on pages 6 through 17, 55 through 58, and 59 through 60 respectively, be presented to supplement the financial statements. Such information, although not part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2015, on our consideration of Aurora City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Aurora City's internal control over financial reporting and compliance.


KIMBALL & ROBERTS, P. C.
Certified Public Accountants

December 21, 2015
Richfield, Utah

AURORA CITY MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

This discussion of Aurora City's financial performance provides an overview of the City's financial activities for the year ending June 30, 2015. This report is in conjunction with the City's financial statements.

The purpose of the City is to provide general services to its residents which includes general government, public safety, highways and public improvements, and parks and recreation.

Financial Highlights

- * The assets of the City exceeded its liabilities as of the close of the most recent year by \$5,072,358 (net position). Of this amount, \$1,016,661 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- * The government's total net position increased by \$184,539. The revenues were less than the adopted budgeted amounts, and expenditures were less than the adopted budgeted amounts.
- * At the close of the current year, the City's governmental funds reported ending fund balances of \$902,810, an increase of \$192,110 in comparison with the prior year. Approximately 7 percent of this total amount, \$64,935, is available for spending at the government's discretion (unassigned fund balance).
- * At the end of the current year, unassigned fund balance for the General Fund was \$64,935, or 30 percent of total General Fund expenditures.
- * The City's total debt decreased by a net amount of \$17,500 during the current year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Aurora City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business.

The Statement of Net Position presents information on all of the City's position and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

AURORA CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the City include general government, public safety, highways and public improvements, and parks and recreation. The business-type activities of the City are water, sewer, landfill, and irrigation services.

Refer to the table of contents for the location of the government-wide financial statements.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Aurora City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statement, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balance of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Aurora City maintains four governmental funds: the General Fund, Municipal Building Authority Fund, Capital Projects Fund, and Perpetual Care Permanent Fund. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, which is always a major fund.

**AURORA CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

The City adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided to demonstrate legal compliance with the adopted budget for the General Fund and the MBA Fund.

Refer to the table of contents for the location of the basic governmental fund financial statements.

Proprietary Funds

Aurora City maintains one type of proprietary fund. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses a proprietary fund to account for its water, sewer, landfill and irrigation operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund is considered a major fund of the City.

Refer to the table of contents for the location of the basic proprietary fund financial statements.

Notes To The Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Aurora City, assets exceeded liabilities by \$5,072,358 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (67 percent) reflects its investment in capital assets (e.g. land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

AURORA CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Aurora City's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and Other Assets	946,870	752,904	732,279	663,268	1,679,149	1,416,172
Capital Assets	1,580,662	1,595,561	2,583,238	2,666,016	4,163,900	4,261,577
Total Assets	2,527,532	2,348,465	3,315,517	3,329,284	5,843,049	5,677,749
Deferred Outflow of Resources	3,682	42,000	3,136	-	6,818	42,000
Long-Term Liabilities	461,139	380,000	250,599	317,500	711,838	697,500
Other Liabilities	60	204	17,314	17,561	17,374	17,765
Total Liabilities	461,199	380,204	267,913	335,061	729,212	715,265
Deferred Inflow of Resources	46,374	42,000	2,023	-	48,397	42,000
Net Position:						
Net Investment in						
Capital Assets	1,136,550	1,215,561	2,347,143	2,348,516	3,483,693	3,564,077
Restricted	544,504	383,744	27,500	27,500	572,004	411,244
Unrestricted	342,587	326,956	674,074	618,207	1,016,661	945,163
Total Net Position	2,023,641	1,926,261	3,048,717	2,994,223	5,072,358	4,920,484

A portion of the City's net position (11 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$1,016,661, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

AURORA CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Governmental Activities

Governmental activities increased the City's net position by \$115,019. Key elements of this increase follows:

Aurora City's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues:						
Charges for Services	39,265	44,101	385,772	378,861	425,037	422,962
Operating Grants	46,888	41,115	-	-	46,888	41,115
Capital Grants	111,650	7,650	-	-	111,650	7,650
General Revenues:						
Property Taxes	46,596	45,301	-	-	46,596	45,301
Other Taxes	141,223	131,903	-	-	141,223	131,903
Impact Fees	-	-	7,560	5,040	7,560	5,040
Sale of Capital Assets	28,750	-	-	-	28,750	-
Unrestricted Investment Earnings	4,098	3,683	3,278	2,909	7,376	6,592
Total Revenues	418,470	273,753	396,610	386,810	815,080	660,563
Expenses:						
General Government	102,221	107,455	327,090	323,884	429,311	431,339
Public Safety	40,311	43,546	-	-	40,311	43,546
Highways	66,790	108,311	-	-	66,790	108,311
Parks and Recreation	94,129	59,114	-	-	94,129	59,114
Total Expenses	303,451	318,426	327,090	323,884	630,541	642,310
Increase (Decrease) in Net Position	115,019	(44,673)	69,520	62,926	184,539	18,253
Net Position - Beg., Restated	1,908,622	1,970,934	2,979,197	2,931,297	4,887,819	4,902,231
Net Position - Ending	2,023,641	1,926,261	3,048,717	2,994,223	5,072,358	4,920,484

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services. During the year the City received \$107,391 in grants. Class C Road allotment was \$43,497 and sidewalk grant was \$7,650.

**AURORA CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Business-Type Activities

Business-type activities increased the City's net position by \$69,520. Key elements of the changes are shown on the previous page.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular *unassigned* fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the year, the City's governmental funds reported ending fund balance of \$902,810 an increase of \$192,110 in comparison with prior year. Approximately 7 percent of this amount, \$64,935 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *restricted and committed* to indicate that it is not available for new spending because it has been restricted for Highways and Public Improvements, \$262,472; Bond Reserves, \$40,000; Perpetual Care, \$55,690; Construction, \$186,342; and committed to Capital Outlay, \$293,371.

The General Fund is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the General Fund was \$64,935, while total fund balance reached \$367,407. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 30 percent of total General Fund expenditures, while total fund balance represents 169 percent of that same amount.

Proprietary Funds

The City's proprietary fund provides the same type of information found in the government-wide financial statements but in more detail.

Unrestricted net position of the proprietary fund at the end of the year was \$674,074. Other factors concerning the finances of this fund have already been addressed in the discussion of the City's business type-activities.

AURORA CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget of \$47,026 can be briefly summarized as follows:

- * \$2,360 decrease in general government.
- * \$1,085 decrease in public safety.
- * \$2,450 increase in highways and public improvements.
- * \$24,500 decrease in parks and recreation.
- * \$38,750 increase in transfers out.
- * \$33,771 increase in fund balance.

Of the total General Fund expenditures, \$0 was funded out of prior year's unassigned fund balance.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets as of June 30, 2015, was \$4,163,693 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, and equipment, as well as infrastructure, which includes roads, highways, and public improvements.

Aurora City's Capital Assets

(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	33,500	33,500	79,103	79,103	112,603	112,603
Water Shares	-	-	164,959	164,959	164,959	164,959
Infrastructure	465,600	498,325	-	-	465,600	498,325
Buildings	802,606	827,615	-	-	802,606	827,615
Improvements	8,070	8,339	-	-	8,070	8,339
Water and Irrigation System	-	-	805,262	836,522	805,262	836,522
Sewer System	-	-	1,502,040	1,554,724	1,502,040	1,554,724
Equipment	237,201	227,782	18,079	20,708	255,280	248,490
Construction in Progress	33,573	-	13,700	10,000	47,273	10,000
Total	<u>1,580,550</u>	<u>1,595,561</u>	<u>2,583,143</u>	<u>2,666,016</u>	<u>4,163,693</u>	<u>4,261,577</u>

Additional information on the City's capital assets can be found in the notes to the financial statements.

**AURORA CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Long -Term Debt

At the end of the current year, the City had bonds outstanding of \$680,000.

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenue Bonds	444,000	380,000	220,000	247,500	664,000	627,500
General Obligation Bonds	-	-	16,000	70,000	16,000	70,000
Total Long-Term Debt	444,000	380,000	236,000	317,500	680,000	697,500

State statutes limit the amount of general obligation debt a governmental entity may issue to 12 percent of its total fair market value of taxable property in the City. The current debt limitation for the City is approximately \$2,500,000. The total general obligation debt at year end was \$16,000.

Additional information on the City's long-term debt can be found in the notes of the financial statements.

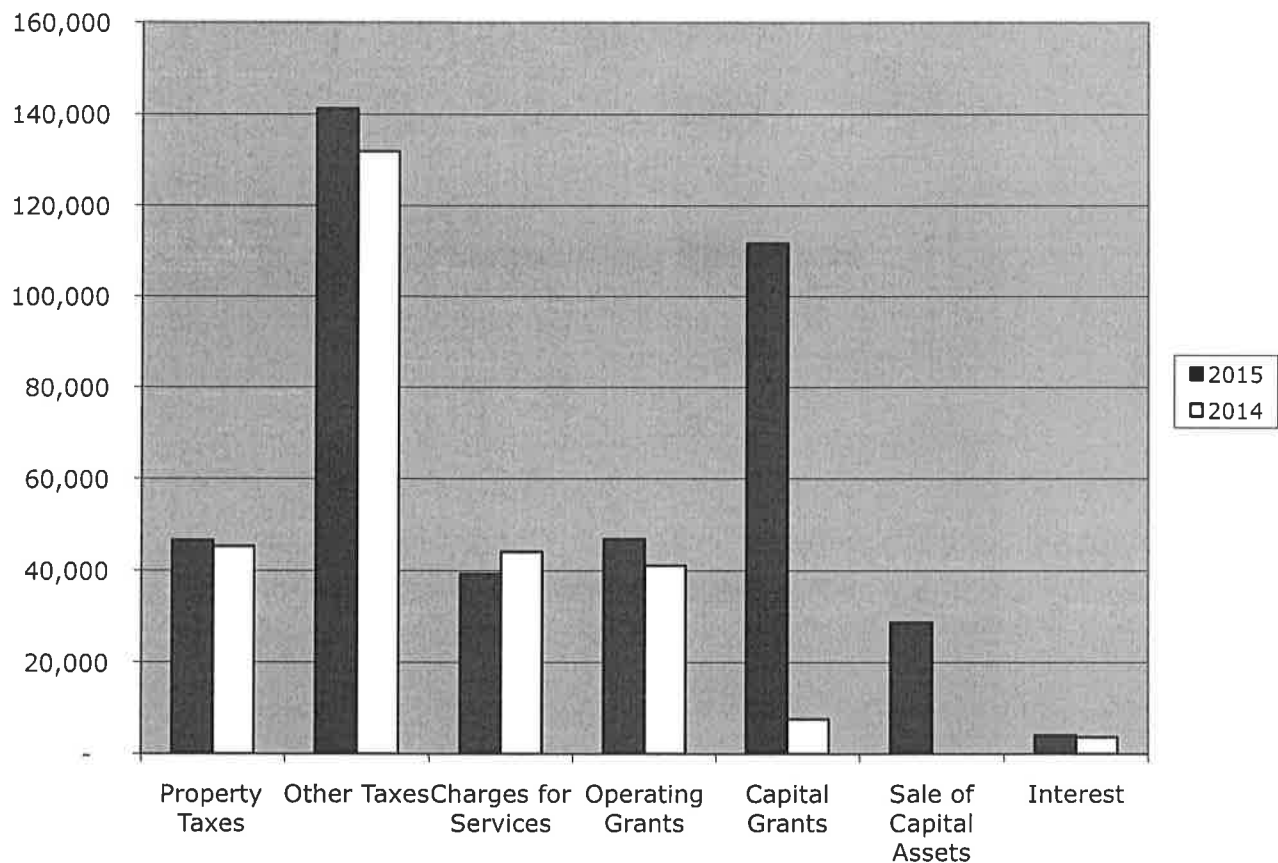
Request for Information

This financial report is designed to provide a general overview of Aurora City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Aurora City Recorder, P.O. Box 477, Aurora, Utah, 84620-0477.

Aurora City
Governmental Revenues
For The Fiscal Years Ending June 30, 2015 and 2014

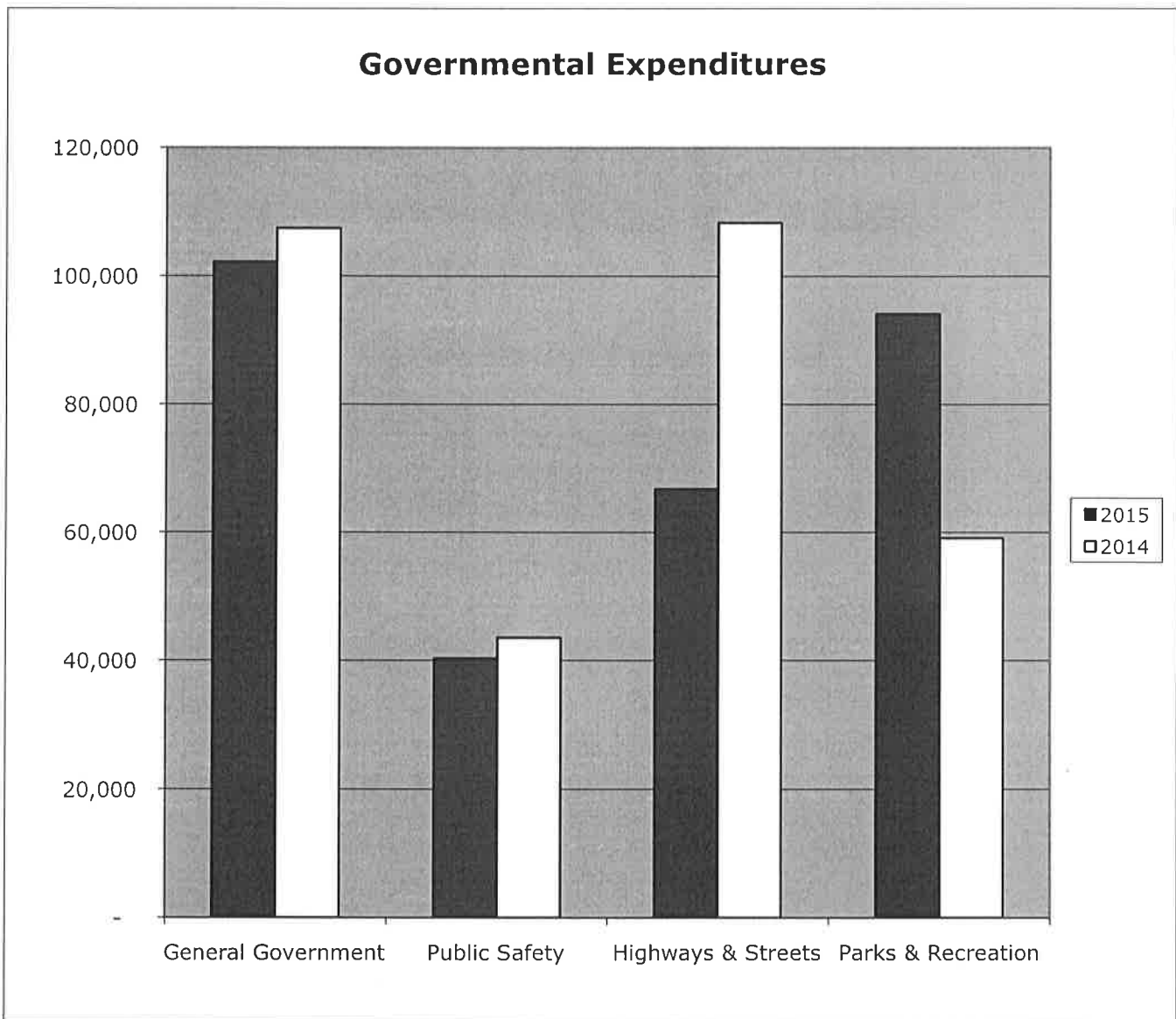
	2015	2014
Property Taxes	46,596	45,301
Other Taxes	141,223	131,903
Charges for Services	39,265	44,101
Operating Grants	46,888	41,115
Capital Grants	111,650	7,650
Sale of Capital Assets	28,750	-
Interest	4,098	3,682
Total Revenues	<u>418,470</u>	<u>273,752</u>

Governmental Revenues



Aurora City
Governmental Expenditures
For The Fiscal Years Ending June 30, 2015 and 2014

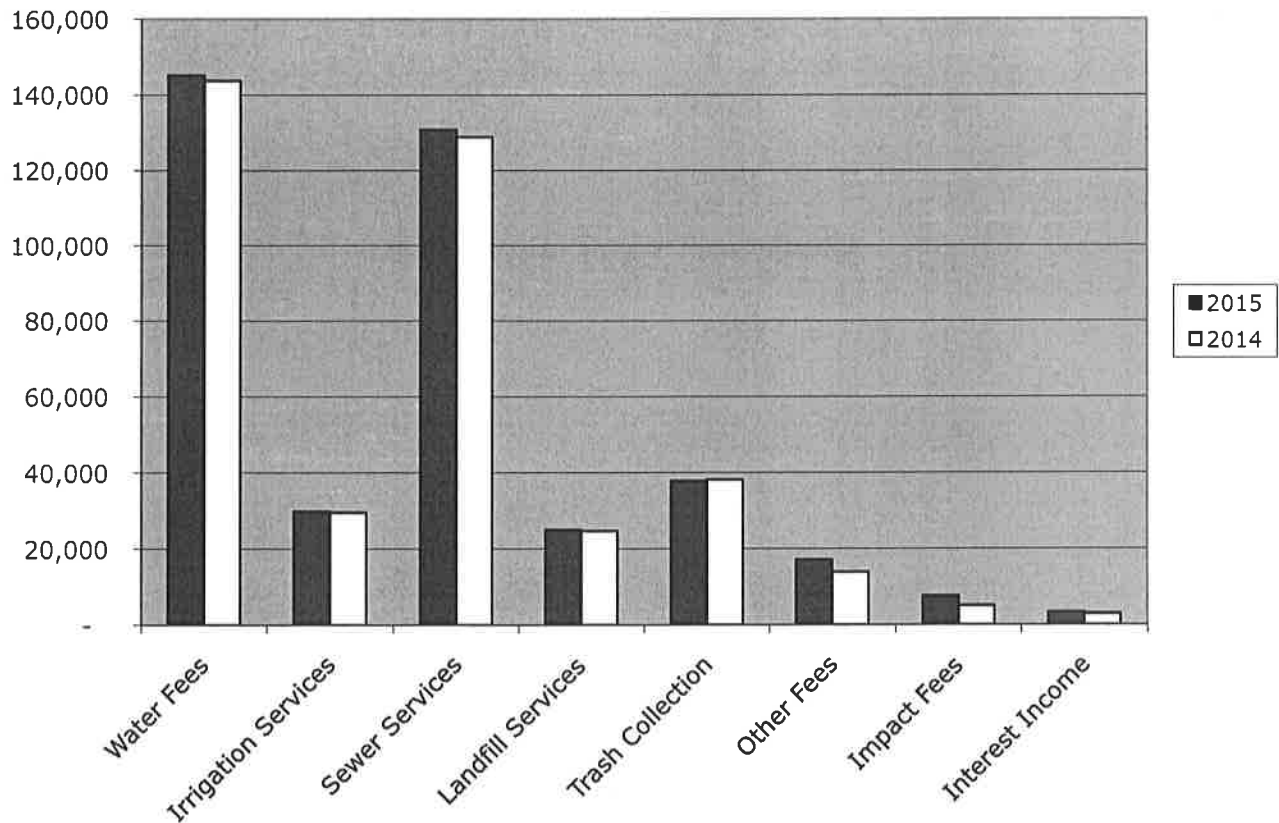
	<u>2015</u>	<u>2014</u>
General Government	102,221	107,455
Public Safety	40,311	43,546
Highways & Streets	66,790	108,311
Parks & Recreation	<u>94,129</u>	<u>59,114</u>
Total Expenditures	<u><u>303,451</u></u>	<u><u>318,426</u></u>



Aurora City
Business-Type Revenues
For The Fiscal Years Ending June 30, 2015 and 2014

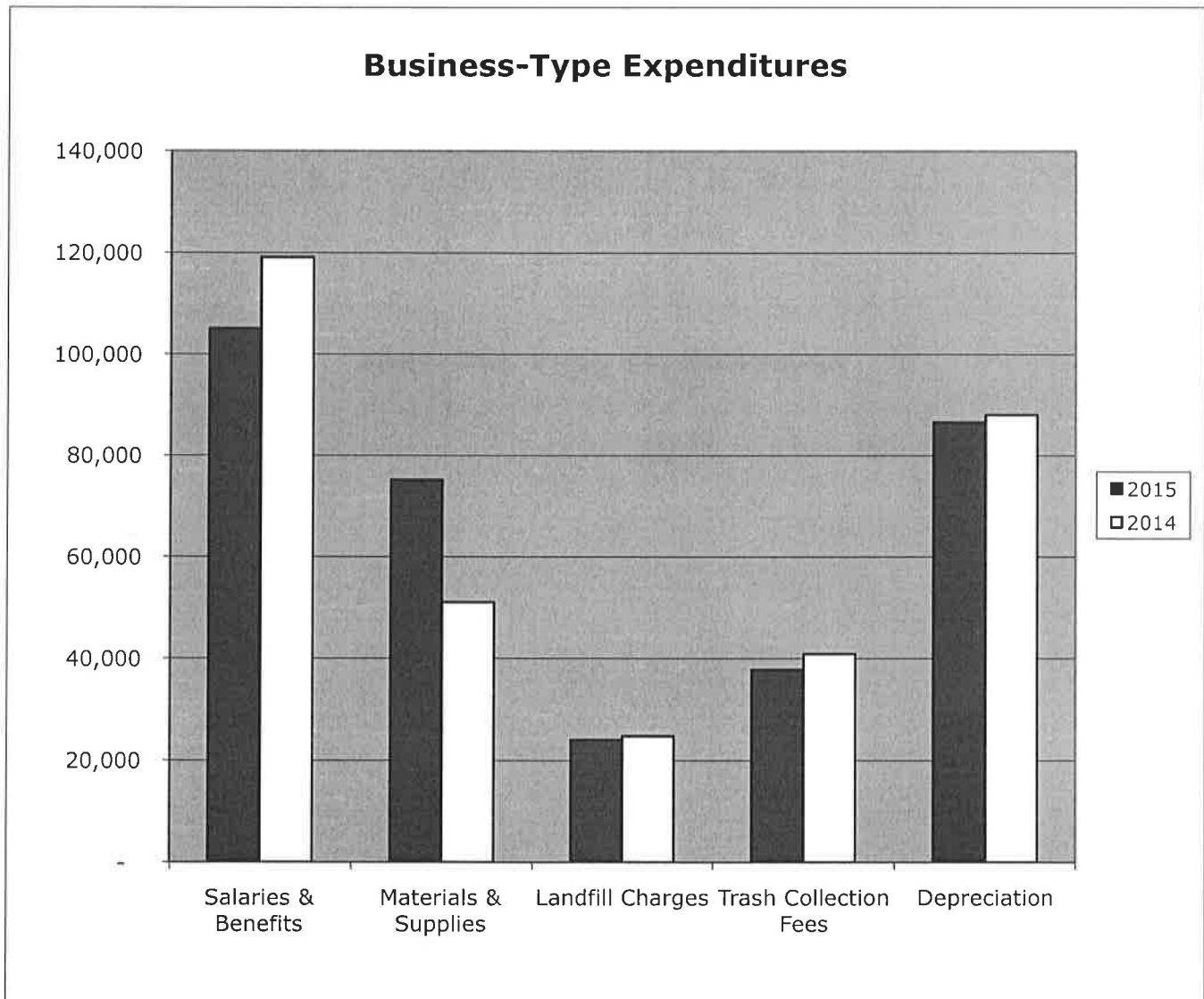
	2015	2014
Water Fees	145,169	143,754
Irrigation Services	29,840	29,540
Sewer Services	130,841	128,851
Landfill Services	24,976	24,672
Trash Collection	37,836	38,171
Other Fees	17,110	13,873
Impact Fees	7,560	5,040
Interest Income	3,278	2,909
Total Revenues	<u>396,610</u>	<u>386,810</u>

Business-Type Revenues



Aurora City
Business-Type Expenditures
For The Fiscal Years Ending June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Salaries & Benefits	105,102	119,107
Materials & Supplies	75,196	51,041
Landfill Charges	24,065	24,767
Trash Collection Fees	37,789	40,923
Depreciation	<u>86,573</u>	<u>88,046</u>
Total Expenditures	<u><u>328,725</u></u>	<u><u>323,884</u></u>



BASIC FINANCIAL STATEMENTS

AURORA CITY
STATEMENT OF NET POSITION
June 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Investments	349,918	674,094	1,024,012
Accounts Receivable (Net)	-	30,685	30,685
Property Taxes Receivable	44,000	-	44,000
Due From Other Government Units	8,448	-	8,448
Total Current Assets	402,366	704,779	1,107,145
Noncurrent Assets:			
Restricted Cash and Investments	544,504	27,500	572,004
Net Pension Asset	112	95	207
Capital Assets (Net of Accumulated Depreciation)	1,580,550	2,583,143	4,163,693
Total Noncurrent Assets	2,125,166	2,610,738	4,735,904
TOTAL ASSETS	2,527,532	3,315,517	5,843,049
DEFERRED OUTFLOW OF RESOURCES			
Resources Related to Pensions	3,682	3,136	6,818
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	2,531,214	3,318,653	5,849,867
LIABILITIES			
Current Liabilities:			
Accounts Payable	60	5,114	5,174
Deposits Payable	-	12,200	12,200
Revenue Bonds Payable - Due Within One Year	10,100	27,500	37,600
General Obligation Bonds - Due Within One Year	-	4,000	4,000
Total Current Liabilities	10,160	48,814	58,974
Noncurrent Liabilities:			
Revenue Bonds Payable - Due More Than One Year	434,000	192,500	626,500
General Obligation Bonds - Due More Than One Year	-	12,000	12,000
Net Pension Liability	17,139	14,599	31,738
Total Noncurrent Liabilities	451,139	219,099	670,238
TOTAL LIABILITIES	461,299	267,913	729,212
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	44,000	-	44,000
Related to Pensions	2,374	2,023	4,397
TOTAL DEFERRED INFLOWS OF RESOURCES	46,374	2,023	48,397
NET POSITION			
Net Investment in Capital Assets	1,136,550	2,347,143	3,483,693
Restricted For:			
Bond Retirement	40,000	27,500	67,500
Class C Road	262,472	-	262,472
Perpetual Care	55,690	-	55,690
Construction	186,342	-	186,342
Unrestricted	342,587	674,074	1,016,661
TOTAL NET POSITION	2,023,641	3,048,717	5,072,358
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	2,531,314	3,318,653	5,849,967

The notes to the financial statements are an integral part of this statement.

AURORA CITY
STATEMENT OF ACTIVITIES
For The Fiscal Year Ended June 30, 2015

Function/Programs	Program Revenues		Net (Expense) Revenues and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants/Capital Grants/ Contributions	Governmental Activities
Governmental Activities:				
General Government	102,221	18,480	-	(83,741)
Public Safety	40,311	4,656	104,000	71,736
Highways and Public Improvements	66,790	-	7,650	(15,643)
Parks and Recreation	94,129	16,129	-	(78,000)
Total Governmental Activities	303,451	39,265	111,650	(105,648)
Business-Type Activities:				
Utility Systems	327,090	385,772	-	58,682
Total Primary Government	630,541	425,037	111,650	(46,966)
General Revenues:				
Property Taxes				46,596
Sales Taxes				128,948
Fee-In-Lieu of Property Taxes				10,632
Franchise Taxes				1,643
Impact Fees				7,560
Sale of Capital Assets				28,750
Unrestricted Investment Earnings				3,278
Total General Revenues and Transfers				231,505
Change in Net Position				184,539
Net Position - Beginning, Restated				4,887,819
Net Position - Ending				5,072,358

The notes to the financial statements are an integral part of this statement.

**AURORA CITY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015**

	General Fund	Municipal Building Authority Fund	Capital Projects Fund	Perpetual Care Permanent Fund	Total Governmental Funds
ASSETS					
Cash and Investments	359,019	186,342	293,371	55,690	894,422
Property Taxes Receivable	44,000	-	-	-	44,000
Due From Other Government Units	8,448	-	-	-	8,448
TOTAL ASSETS	<u>411,467</u>	<u>186,342</u>	<u>293,371</u>	<u>55,690</u>	<u>946,870</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	<u>60</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60</u>
Deferred Inflows of Resources:					
Unavailable Revenue - Property Taxes	<u>44,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,000</u>
Fund Balance:					
Restricted For:					
Class C Road	262,472	-	-	-	262,472
Bond Reserves	40,000	-	-	-	40,000
Perpetual Care	-	-	-	55,690	55,690
Construction	-	186,342	-	-	186,342
Committed For:					
Capital Outlay	-	-	293,371	-	293,371
Unassigned	<u>64,935</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,935</u>
Total Fund Balance	<u>367,407</u>	<u>186,342</u>	<u>293,371</u>	<u>55,690</u>	<u>902,810</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>411,467</u>	<u>186,342</u>	<u>293,371</u>	<u>55,690</u>	<u>946,870</u>

The notes to the financial statements are an integral part of this statement.

AURORA CITY
GOVERNMENTAL BALANCE SHEET RECONCILIATION TO STATEMENT OF NET POSITION
June 30, 2015

Total Fund Balances - Governmental Fund Types	902,810
---	---------

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Land	33,500	
Construction In Progress	33,573	
Buildings	802,606	
Improvements Other Than Buildings	8,070	
Vehicles	214,073	
Equipment	23,128	
Infrastructure	465,600	
Net Pension Asset	<u>112</u>	

Total (Net of Depreciation)	1,580,662
-----------------------------	-----------

Deferred Outflows of Resources, a consumption of net position that applies to future periods, is not shown in the fund statements.	3,682
--	-------

Long-term liabilities, including bonds payable and deferred inflows of resources, are not due and payable in the current period and, therefore, are not reported in the fund statements:

Long-Term Debt	(444,000)	
Net Pension Liability	(17,139)	
Deferred Inflows Relating to Pensions	<u>(2,374)</u>	

Total	<u>(463,513)</u>
-------	------------------

Net Position of Government Activities	<u><u>2,023,641</u></u>
---------------------------------------	-------------------------

The notes to the financial statements are an integral part of this statement.

AURORA CITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For The Fiscal Year Ended June 30, 2015

	General Fund	Municipal Building Authority Fund	Capital Projects Fund	Perpetual Care Permanent Fund	Total Governmental Funds
Revenues:					
Taxes	187,818	-	-	-	187,818
Licenses and Permits	2,085	-	-	-	2,085
Intergovernmental Revenue	51,147	104,000	3,391	-	158,538
Charges for Services	7,546	10,000	-	8,583	26,129
Fines and Forfeitures	4,656	-	-	-	4,656
Interest	3,897	201	-	-	4,098
Miscellaneous Revenues	35,146	-	-	-	35,146
Total Revenues	292,295	114,201	3,391	8,583	418,470
Expenditures:					
Current:					
General Government	80,292	-	-	-	80,292
Public Safety	22,746	-	-	-	22,746
Highways, Public Improvements	30,076	-	-	-	30,076
Parks and Recreation	43,324	-	-	48,010	91,334
Capital Outlay	10,514	21,859	33,539	-	65,912
Debt Service					
Principal	30,000	10,000	-	-	40,000
Total Expenditures	216,952	31,859	33,539	48,010	330,360
Excess Revenues Over (Under) Expenditures	75,343	82,342	(30,148)	(39,427)	88,110
Other Financing Sources (Uses):					
Bond Proceeds	-	104,000	-	-	104,000
Transfers In (Out)	(28,750)	-	28,750	-	-
Total Other Financing	(28,750)	104,000	28,750	-	104,000
Net Change In Fund Balance	46,593	186,342	(1,398)	(39,427)	192,110
Fund Balance - Beginning	320,814	-	294,769	95,117	710,700
Fund Balance - Ending	367,407	186,342	293,371	55,690	902,810

The notes to the financial statements are an integral part of this statement.

AURORA CITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For The Fiscal Year Ended June 30, 2015

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Changes in Fund Balances - Total Governmental Funds	192,110
---	---------

The Statement of Activities shows pension benefits and pension expenses from the adoption of GASB 68 that are not shown on the fund statements.	1,920
---	-------

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital Outlay	65,912	
Depreciation Expense	<u>(80,923)</u>	
Total		(15,011)

The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Principal Payments on Long-Term Debt	40,000	
Proceeds From Bond Issue	<u>(104,000)</u>	
Total		<u>(64,000)</u>

Changes In Net Position of Governmental Activities	<u><u>115,019</u></u>
--	-----------------------

The notes to the financial statements are an integral part of this statement.

AURORA CITY
STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2015

	Business-Type Activity Proprietary Fund Water and Sewer Fund
ASSETS:	
Current Assets:	
Cash and Investments	674,094
Accounts Receivable	30,685
Total Current Assets	704,779
Noncurrent Assets:	
Restricted Cash and Investments	27,500
Net Pension Assets	95
Capital Assets:(Net of Accumulated Depreciation)	2,583,143
Total Noncurrent Assets	2,610,738
TOTAL ASSETS	3,315,517
Deferred Outflows of Resources Related to Pensions	3,136
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	3,318,653
LIABILITIES:	
Current Liabilities:	
Accounts Payable	5,114
Deposits Payable	12,200
Revenue Bonds Payable - Due Within One Year	27,500
General Obligation Bonds - Due Within One Year	4,000
Total Current Liabilities	48,814
Noncurrent Liabilities:	
Revenue Bonds Payable - Due in More Than One Year	192,500
General Obligation Bonds - Due in More Than One Year	12,000
Net Pension Liability	14,599
Total Noncurrent Liabilities	219,099
TOTAL LIABILITIES	267,913
Deferred Inflows of Resources Related to Pensions	2,023
NET POSITION:	
Net Investment in Capital Assets	2,347,143
Restricted for Bonded Retirement	27,500
Unrestricted	674,074
TOTAL NET POSITION	3,048,717
TOTAL LIABILITIES DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	3,318,653

The notes to the financial statements are an integral part of this statement.

AURORA CITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
For The Fiscal Year Ended June 30, 2015

	Business-Type Activity Proprietary Fund Water and Sewer Fund
Operating Revenues:	
Charges for Sales and Services:	
Water Sales	145,169
Irrigation Fees	29,840
Sewer Sales	130,841
Landfill Fees	24,976
Trash Collection Fees	37,836
Connection Fees	9,960
Other	7,150
	<u>385,772</u>
Total Operating Revenues	<u>385,772</u>
Operating Expenses:	
Salaries and Benefits	105,102
Garbage and Landfill Costs	61,854
Utilities	13,395
Repairs and Maintenance	33,772
Other Supplies and Expenses	28,029
Depreciation	86,573
	<u>328,725</u>
Total Operating Expenses	<u>328,725</u>
Operating Income	<u>57,047</u>
Nonoperating Revenues (Expenses):	
Investment Earnings	3,278
Impact Fees	7,560
Pension Benefit Expense	6,135
Pension Expense	(4,500)
	<u>12,473</u>
Total Nonoperating Revenues (Expenses)	<u>12,473</u>
Change in Net Position	69,520
Net Position - Beginning, Restated	<u>2,979,197</u>
Net Position - Ending	<u><u>3,048,717</u></u>

The notes to the financial statements are an integral part of this statement.

AURORA CITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For The Fiscal Year Ended June 30, 2015

	Business-Type Activity <u>Proprietary Fund</u> Water and <u>Sewer Fund</u>
Cash Flows From Operating Activities:	
Receipts From Customers	387,293
Payments to Suppliers	(137,297)
Payments to Employees	<u>(105,102)</u>
Net Cash Provided by Operating Activities	<u>144,894</u>
Cash Flows From Capital and Related Financing Activities:	
Principal Paid on Capital Debt	(81,500)
Capital Outlay	(3,700)
Impact Fees	<u>7,560</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(77,640)</u>
Cash Flows from Investing Activities:	
Interest Received	<u>3,278</u>
Net Increase (Decrease) in Cash and Investments	70,532
Cash and Investments - Beginning	<u>631,062</u>
Cash and Investments - Ending	<u><u>701,594</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) By Operating Activities:	
Operating Income (Loss)	<u>57,047</u>
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) By Operating Activities:	
Depreciation	86,573
Increase (Decrease) in Operating Assets:	
Accounts Receivable	1,521
Accounts Payable	<u>(247)</u>
Total Adjustments	<u>87,847</u>
Net Cash Provided (Used) by Operating Activities	<u><u>144,894</u></u>

The notes to the financial statements are an integral part of this statement.

AURORA CITY
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUND
June 30, 2015

ASSETS:

Cash and Investments	<u>20,000</u>
TOTAL ASSETS	<u><u>20,000</u></u>

LIABILITIES:

Due to Veteran's Memorial	<u>20,000</u>
TOTAL LIABILITIES	<u><u>20,000</u></u>

The notes to the financial statements are an integral part of this statement.

AURORA CITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Aurora City conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies:

The accompanying basic financial statements present the financial position of various fund types and the results of operations of the various fund types. The basic financial statements are presented for the year ended June 30, 2015.

The following is a summary of the more significant policies:

A. Reporting Entity

Aurora City is a municipal corporation in Sevier County, Utah. It is governed by an elected Mayor and a five-member council. As required by generally accepted accounting principles, these financial statements are of the primary government, Aurora City, the reporting entity. The City has no component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., Statement of Net Position and Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

AURORA CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, Aurora City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Municipal Building Authority Fund which accounts for the construction of major fixed assets then leased to Aurora City for City purposes.

The Capital Projects Fund account for the acquisition of fixed assets or construction of major capital improvements not being financed by proprietary or nonexpendable trust funds.

The Perpetual Care Permanent Fund is used to account for principal trust amounts received and related interest income. The interest portion of the trust can be used to maintain the cemetery.

AURORA CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Government reports the following Proprietary Fund:

The Water and Sewer Fund accounts for the activities of the City's water and sewer operations. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The principal operating revenues of the Water and Sewer Fund are charges to customers for services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

The Government reports the following Agency Fund type:

The Veteran's Memorial Agency Fund is used to account for monies collected and expended on the Veteran's Memorial.

D. Assets, Liabilities and Net Position or Equity

Cash and Investments:

The government's cash and investments are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

Investments for the government, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Capital Assets:

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at date of donation.

AURORA CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Improvements Other Than Buildings	20 - 50 Years
Equipment	5 - 10 Years

Long-Term Obligations:

In the government-wide financial statements, governmental long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position.

In the fund financial statement, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, if any, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Equity Classifications:

Equity is classified in the government-wide financial statements as net position and is displayed in three components:

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

AURORA CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as Nonspendable, Restricted, Committed, Assigned, or Unassigned.

Nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

Restricted fund balance classification are restricted by enabling legislation. Also reported if, (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance classification includes those funds that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority.

Assigned Fund Balance classification includes amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. It also includes all remaining amounts that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable, restricted or committed that are intended to be used for specific purposes.

Unassigned fund balance classification is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

Proprietary Fund equity is classified the same as in the government-wide statements.

E. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. Property Taxes:

Property taxes are assessed and collected for the City by Sevier County and remitted to the City shortly after collection. Property taxes become a lien on January 1 and are levied on the first Monday in August. Taxes are due and payable on November 1, and are delinquent after November 30. All dates are in the year of levy.

AURORA CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Budgets and Budgetary Accounting:

Annual budgets are prepared and adopted by ordinance by total for each department, in accordance with State law, by the Mayor and City Council on or before June 22 for the following Fiscal year beginning July 1. Estimated revenues and appropriations may be increased or decreased by resolution of the City Council at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in the General Fund. The level of the City's budgetary control (the level at which the Town's expenditures cannot legally exceed appropriations) is established at the department level. Each department head is responsible for operating within the budget for their department. All annual budgets lapse at fiscal year end.

Utah State law prohibits the appropriation of unreserved General Fund balance to an amount less than 5% of the General Fund revenues. The 5% reserve that cannot be budgeted is used to provide working capital until tax revenue is received, to meet emergency expenditures, and to cover unanticipated deficits. Any unreserved General Fund balance greater than 18% of the next year's budgeted revenues must be appropriated within the following two years.

Once adopted, the budget may be amended by the City council without hearing provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance. A public hearing must be held if the budgeted expenditures will exceed budgeted revenues and any fund balance which is available for budgeting. With the consent of the Mayor, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year. Budgets for the General Fund are prepared on the modified accrual basis of accounting. Encumbrances are not used.

H. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has only one type of item that qualifies for reporting in this category, deferred outflows as relating to pensions as described in Note 13.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of items that qualify for reporting in this category. The City reports unavailable revenues from property taxes and deferred inflows as relating to pensions as described in Note 13. These amounts are deferred and recognized as an inflow of resources in the period in which the amounts become available.

AURORA CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

J. Date of Subsequent Event Evaluation

Aurora City's subsequent events have been evaluated through the day of the financial statement issuance of December 21, 2015.

NOTE 2 - CASH AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Investments":

Deposits:

At year end, the carrying amount of the City's deposits was \$47,495 and the bank balances were \$63,062. All of the bank balance was covered by federal depository insurance. Utah State statutes do not require deposits to be collateralized, however, financial institutions must be approved by the State Money Management Council.

Cash and investments as of June 30, 2015 consist of the following:

	<u>Fair Value</u>
Demand Deposits - Checking	47,495
Investment - PTIF	<u>1,568,521</u>
Total Cash and Investments	<u><u>1,616,016</u></u>

Cash and investments listed above are classified in the accompanying government-wide Statement of Net Position as follows:

Governmental Activities - Unrestricted	349,918
Governmental Activities - Restricted	544,504
Business-Type Activities - Unrestricted	674,094
Business-Type Activities - Restricted	27,500
Agency Fund	<u>20,000</u>
Total Cash and Investments	<u><u>1,616,016</u></u>

AURORA CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

The Utah Money Management Act (UMMA) established specific requirements regarding deposits of public funds by public treasurers. UMMA requires that City funds be deposited with a qualified depository which includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements specified in UMMA Section 51, Chapter 7. UMMA provides the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and also defines capital requirements which an Institution must maintain to be eligible to accept public funds. UMMA lists the criteria for investments and specifies the assets which are eligible to be invested in, and for some investments, the amount of time to maturity.

UMMA enables the State Treasurer to operate the Public Treasurer's Investment Pool (PTIF). PTIF is managed by the Utah State Treasurer's investment staff and comes under the regulatory authority of the Utah Money Management Council. This council is comprised of a select group of financial professionals from units of local and state government and financial institutions doing business in the state. PTIF operations and portfolio composition is monitored at least semi-annually by Utah Money Management Council. PTIF is unrated by any nationally recognized statistical rating organizations.

PTIF operations and portfolio composition is monitored at least semi-annually by Utah Money Management Council. PTIF is unrated by any nationally recognized statistical rating organizations. Deposits in PTIF are not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments which are recorded on an amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by PTIF. The fair value of the investment pool is approximately equal to the value of the pool shares.

Deposits and investments for local government are governed by the Utah Money Management Act (Utah Code Annotated, Title 51, Chapter 7, "the Act") and by rules of the Utah Management Council ("the Council"). Following are discussions of the local government's exposure to various risks related to its cash management activities.

Custodial Credit Risk:

Deposits - Custodial credit risk for deposits is the risk that in the event of a bank failure, the local government's deposits may not be recovered. The local government's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the local government to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. As of June 30, 2015, \$0 of the local government's bank balances of \$63,062 were uninsured and uncollateralized.

AURORA CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Credit Risk:

Credit risk is the risk that the counterparty of an investment will not fulfill its obligations. The local government's policy for limiting the credit risk of investments is to comply with the UMMA.

The local government is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains and losses, net of administration fees, of the PTIF are allocated based upon the participants' average daily balances.

For the year ended June 30, 2015, the local government has investments of \$1,568,521 with the PTIF. The entire balance had a maturity less than one year. The PTIF pool has not been rated.

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The local government manages its exposure to declines in fair value by investments mainly in the PTIF and by adhering to the Money Management Act. The act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

Concentration of Credit Risk:

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. PTIF falls under the constraints of UMMA in limiting concentrations of investments.

NOTE 3 - BOND RESERVES

Business-Type:

The Water Revenue Bonds issued in 2002 require a reserve be established with 72 monthly payments of \$382.00 to a maximum of \$27,500. This reserve is fully funded.

The total business-type reserves at year end is \$27,500.

Governmental:

The Class C Road Revenue Bonds issued in 2008 require a reserve be established with 72 monthly payments of \$416.67 to a maximum of \$30,000. This reserve is fully funded.

The Series 2011 Lease Revenue Bonds issued in 2011 require a reserve of \$10,000 to be built up in six payments, beginning April 1, 2011. This reserve is fully funded.

The Series 2015 Lease Revenue Bonds issued in 2015 require a reserve of \$6,525 to be built up in six payments of \$1,088, beginning October 15, 2015. The reserve at year end was \$0.

The total Governmental reserves at year end is \$40,000.

AURORA CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable represents amounts owed to the City by customers at June 30, 2015. The balance of accounts receivable at year end was \$30,685.

NOTE 5 - WATER SHARES

Aurora City owns 297.0 shares of Piute Irrigation Company water stock and 9.752 shares of Willow Bend Irrigation Company water stock.

NOTE 6 - CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2015, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental				
Capital Assets Not Being Depreciated:				
Land	13,500	-	-	13,500
Land Under Roads	20,000	-	-	20,000
Construction In Progress	-	33,573	-	33,573
	<u>33,500</u>	<u>33,573</u>	<u>-</u>	<u>67,073</u>
Total Capital Assets Not Being Depreciated				
Capital Assets Being Depreciated:				
Buildings	1,000,379	-	-	1,000,379
Improvements	10,773	-	-	10,773
Vehicles	346,819	32,339	-	379,158
Machinery and Equipment	71,239	-	10,000	61,239
Infrastructure	1,284,516	-	-	1,284,516
	<u>2,713,726</u>	<u>32,339</u>	<u>10,000</u>	<u>2,736,065</u>
Total Capital Assets Being Depreciated				
Less Accumulated Depreciation For:				
Buildings	172,764	25,009	-	197,773
Improvements	2,434	269	-	2,703
Vehicles	145,489	19,596	-	165,085
Machinery and Equipment	44,787	3,324	10,000	38,111
Infrastructure	786,191	32,725	-	818,916
	<u>1,151,665</u>	<u>80,923</u>	<u>10,000</u>	<u>1,222,588</u>
Total Accumulated Depreciation				
Total Capital Assets Being Depreciated (Net)	<u>1,562,061</u>	<u>(48,584)</u>	<u>-</u>	<u>1,513,477</u>
Governmental Activities Capital Assets, Net	<u>1,595,561</u>	<u>(15,011)</u>	<u>-</u>	<u>1,580,550</u>

AURORA CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 6 - CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land and Right of Ways	79,103	-	-	79,103
Water Stock	164,959	-	-	164,959
Construction In Progress	<u>10,000</u>	<u>3,700</u>	<u>-</u>	<u>13,700</u>
 Total Capital Assets Not Being Depreciated	 <u>254,062</u>	 <u>3,700</u>	 <u>-</u>	 <u>257,762</u>
Capital Assets Being Depreciated:				
Culinary Water System	1,614,564	-	-	1,614,564
Sewer Collection System	1,867,811	-	-	1,867,811
Sewer Treatment System	766,356	-	-	766,356
Equipment	<u>35,726</u>	<u>-</u>	<u>-</u>	<u>35,726</u>
 Total Capital Assets Being Depreciated	 <u>4,284,457</u>	 <u>-</u>	 <u>-</u>	 <u>4,284,457</u>
Less Accumulated Depreciation For:				
Culinary Water System	778,042	31,260	-	809,302
Sewer Collection System	765,403	37,357	-	802,760
Sewer Treatment System	314,040	15,327	-	329,367
Equipment	<u>15,018</u>	<u>2,629</u>	<u>-</u>	<u>17,647</u>
 Total Accumulated Depreciation	 <u>1,872,503</u>	 <u>86,573</u>	 <u>-</u>	 <u>1,959,076</u>
 Total Capital Assets Being Depreciated (Net)	 <u>2,411,954</u>	 <u>(86,573)</u>	 <u>-</u>	 <u>2,325,381</u>
 Business-Type Activities Capital Assets, Net	 <u>2,666,016</u>	 <u>(82,873)</u>	 <u>-</u>	 <u>2,583,143</u>
 Total Capital Assets	 <u><u>4,261,577</u></u>	 <u><u>(97,884)</u></u>	 <u><u>-</u></u>	 <u><u>4,163,693</u></u>

AURORA CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 6 - CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions of the Primary Government as follows:

	<u>Governmental Activities</u>
General Government	23,849
Public Safety	17,565
Highways and Public Improvements	36,714
Parks and Recreation	<u>2,795</u>
Total Depreciation Expense	<u><u>80,923</u></u>

NOTE 7 - LONG-TERM DEBT

Proprietary Long-Term Debt

Water Revenue Bonds, Series 2002:

On June 26, 2002, Aurora City issued Parity Water Revenue Bonds, Series 2002, in the amount of \$547,500 for the purpose of providing funds to finance all or part of the cost of constructing improvement to the culinary water system of the City. The bonds require yearly payments of \$27,000 for 5 years and 27,500 for 15 years. The bonds are interest free. The balance at June 30, 2015 is \$220,000. Bonds are secured by 100% of net water revenues. The bonds mature February 28, 2023.

The following is a summary of debt service charges to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
February 28,			
2016	27,500	-	27,500
2017	27,500	-	27,500
2018	27,500	-	27,500
2019	27,500	-	27,500
2020	27,500	-	27,500
2021-2023	<u>82,500</u>	<u>-</u>	<u>82,500</u>
Total Water Revenue Bonds	<u><u>220,000</u></u>	<u><u>-</u></u>	<u><u>220,000</u></u>

AURORA CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 7 - LONG-TERM DEBT (CONTINUED)

General Obligation Wastewater Bonds:

General Obligation Wastewater Bonds Series 1993 A - CIB:

Aurora City issued General Obligation Wastewater Bonds in the amount of \$100,000 Series 1993 A, on February 22, 1993. They were purchased by the Department of Community and Economic Development, Permanent Community Impact Fund Board. This Series 1993 A Bond is issued for the purpose of paying the cost of construction of a system for the collection, treatment and disposal of wastewater and sewage, together with all appurtenances and incidents thereto including such legal, engineering and fiscal agent expenses reasonably incurred.

These Bonds are payable in twenty-five (25) annual installments, in the amount of \$4,000 without interest on the principal. The first payment was due on April 1, 1995 and each year on the same date through 2019. The balance at June 30, 2015, is \$16,000. The bonds mature April 1, 2019 and are secured by revenues from sewer fund services.

The following is a summary of General Obligation Wastewater Bonds Series A debt service to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
April 1,			
2016	4,000	-	4,000
2017	4,000	-	4,000
2018	4,000	-	4,000
2019	4,000	-	4,000
	<u>16,000</u>	<u>-</u>	<u>16,000</u>
Total Series A Bonds	<u>16,000</u>	<u>-</u>	<u>16,000</u>

General Obligation Wastewater Bonds Series 1993 B - DWQ:

Aurora City issued General Obligation Wastewater Bonds in the amount of \$965,000 Series 1993 B, on February 22, 1993. They were purchased by the State of Utah, Water Quality Board. On April 20, 1993, \$160,000 of the principal sum was purchased by the State of Utah, Water Quality Board and the balance of \$805,000 was purchased on February 7, 1994. This Series 1993 B Bond is issued for the purpose of paying the cost of construction of a system for the collection, treatment and disposal of wastewater and sewage, together with all appurtenances and incidents thereto including such legal, engineering and fiscal agent expenses reasonably incurred. These Bonds are payable in twenty (20) annual installments, in the amount of \$48,000 without interest on the principal. The first payment was due on January 1, 1996 and a payment will be due each year on January 1st through 2015. The balance at June 30, 2015, is \$0. The bonds matured December 15, 2014.

AURORA CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The following is a summary of total utility long-term debt service charges to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	31,500	-	31,500
2017	31,500	-	31,500
2018	31,500	-	27,500
2019	31,500	-	27,500
2020	27,500	-	27,500
2021-2023	<u>82,500</u>	<u>-</u>	<u>82,500</u>
Total Water Revenue Bonds	<u><u>236,000</u></u>	<u><u>-</u></u>	<u><u>228,000</u></u>

Governmental Long-Term Debt

Class C Road Bonds:

During 2007 the City issued \$300,000 of street improvement revenue bonds for the purpose of providing funds to finance all or part of the cost of constructing road improvements within the City. The bonds require annual payments of \$30,000 for ten years with no interest. Payments are due July 1st of each year. Bonds are secured by Class C Road funds from Utah Department of Transportation. The balance at June 30, 2015, is \$90,000. The bonds mature July 1, 2018.

The following is a summary of Class C Road Bond debt service to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
July 1,			
2016	30,000	-	30,000
2017	30,000	-	30,000
2018	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total Series B Bonds	<u><u>90,000</u></u>	<u><u>-</u></u>	<u><u>90,000</u></u>

Municipal Building Authority Bonds:

During 2010 the City issued \$300,000 of lease revenue bonds for the purpose of providing funds to finance all or part of the cost of construction of City offices, community center and related facilities. The bonds require annual payments of \$10,000 for thirty years with no interest. Payments are due April 1 of each year. Bonds are secured with a lease to Aurora City. The balance at June 30, 2015, is \$250,000. The bonds mature April 1, 2040.

AURORA CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The following is a summary of Series 2010 Lease Revenue Bonds debt service to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
April 1,			
2016	10,000	-	10,000
2017	10,000	-	10,000
2018	10,000	-	10,000
2019	10,000	-	10,000
2020	10,000	-	10,000
2020-2025	50,000	-	50,000
2026-2030	50,000	-	50,000
2031-2035	50,000	-	50,000
2036-2040	50,000	-	50,000
	<u>250,000</u>	<u>-</u>	<u>250,000</u>
Total Lease Revenue Bonds	<u>250,000</u>	<u>-</u>	<u>250,000</u>

Lease Revenue Bond - Series 2015:

During 2015 the City issued \$104,000 of lease revenue bonds for the purpose of providing funds to finance all or part of the cost of remodeling the city fire station. The bonds require annual payments varying from \$4,000 to \$6,000 for twenty years bearing interest at 1.5%. Payments are due October 1 of each year. Bonds are secured with a lease to Aurora City. The balance at June 30, 2015, is \$104,000. The bonds mature October 1, 2035.

The following is a summary of Series 2015 Lease Revenue Bonds debt service to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
October 1,			
2015	-	-	-
2016	4,000	1,560	5,560
2017	5,000	1,500	6,500
2018	5,000	1,425	6,425
2019	5,000	1,350	6,350
2020-2024	25,000	6,525	31,525
2025-2029	25,000	3,750	28,750
2030-2034	29,000	1,725	30,725
2035	6,000	75	6,075
	<u>104,000</u>	<u>17,910</u>	<u>121,910</u>
Total Lease Revenue Bonds	<u>104,000</u>	<u>17,910</u>	<u>121,910</u>

AURORA CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The following is a schedule of changes in Long-Term Debt:

	Date of Issue	Interest Rate	Total Authorized	Outstanding June 30, 2014	Current Year Changes		Outstanding June 30, 2015	Due Within On Year
					Issued	Matured		
Proprietary Long-Term Debt:								
Water Revenue Bonds:								
Series 2002 - Parity Water Revenue Bonds	2002	0%	547,500	247,500	-	27,500	220,000	27,500
General Obligation Wastewater Bonds:								
Series 1993 A - Community Impact Board	1993	0%	100,000	20,000	-	4,000	16,000	4,000
Series 1993 B - Department of Water Quality	1993	0%	965,000	50,000	-	50,000	-	-
Total Proprietary Long-Term Debt			1,612,500	317,500	-	81,500	236,000	31,500
Governmental Long-Term Debt:								
Class C Road Bonds	2007	0%	300,000	120,000	-	30,000	90,000	-
Series 2010 Lease Revenue Bonds	2010	0%	300,000	260,000	-	10,000	250,000	10,000
Series 2015 Lease Revenue Bonds	2015	1.5%	104,000	-	104,000	-	104,000	-
Total Governmental Long-Term Debt		0%	704,000	380,000	104,000	40,000	444,000	10,000
Total Long-Term Debt			2,316,500	697,500	104,000	121,500	680,000	41,500

AURORA CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The following is a summary of total Governmental Long-Term Debt to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	10,000	-	10,000
2017	44,000	1,560	45,560
2018	45,000	1,500	46,500
2019	45,000	1,425	46,425
2020	15,000	1,350	16,350
2020-2025	75,000	5,625	80,625
2026-2030	75,000	3,750	78,750
2031-2035	79,000	1,725	80,725
2036-2040	<u>56,000</u>	<u>75</u>	<u>56,075</u>
Total Long-Term Debt	<u><u>444,000</u></u>	<u><u>17,010</u></u>	<u><u>461,010</u></u>

NOTE 8 - CLASS C ROADS

The following is a statement of receipts and disbursements in Class C roads:

Balance - Beginning of Year		250,292
Receipts:		
State of Utah Allotments	43,497	
State of Utah Sidewalk Grant	7,650	
Interest	<u>1,547</u>	
Total Receipts		52,694
Disbursements:		
Maintenance	(10,514)	
Debt Service	<u>(30,000)</u>	
Total Disbursements		<u>(40,514)</u>
Balance - End of Year		<u><u>262,472</u></u>

AURORA CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 9 - PERPETUAL CARE PERMANENT FUND

The following is a statement of receipts and disbursements in the Perpetual Care Permanent Fund:

Balance - Beginning of Year	95,117
Receipts:	
Perpetual Care Payments	8,583
Disbursements	<u>(48,010)</u>
Balance - End of Year	<u><u>55,690</u></u>

NOTE 10 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; and natural disasters. The City participates in the Utah Local Governments Trust, a public agency insurance mutual, which provides coverage for property damage and general liability. The City is subject to a minimal deductible for claims. There have been no significant reductions in insurance coverage from coverage in the prior year.

Amounts of settlements have not exceeded insurance coverage in any of the past three years.

NOTE 11 - ROUNDING CONVENTION

A rounding convention to the nearest whole dollar has been applied throughout this report, therefore the precision displayed in any monetary amount is plus or minus \$1. These financial statements are computer generated and the rounding convention is applied to each amount displayed in a column, whether detail item or total. As a result, without the overhead cost of manually balancing each column, the sum displayed amounts in a column may not equal the total displayed. The maximum difference between any displayed number or total and its actual value will not be more than \$1.

NOTE 12 - PRIOR PERIOD ADJUSTMENTS

The requirement to apply GASB 68 this fiscal year resulted in an adjustment to the prior period net positions. This is due to the required disclosure of a Net Pension Liability, Deferred Outflows and Inflows of Resources and if applicable a Net Pension Asset. Net result to net positions are as follows:

	Governmental Funds	Business-Type Water, Sewer and Irrigation Fund
Net Position - Beginning of Period	1,926,261	2,994,223
GASB 68 Adjustments to Prior Period	<u>(17,639)</u>	<u>(15,026)</u>
Net Position - Beginning, Restated	<u><u>1,908,622</u></u>	<u><u>2,979,197</u></u>

AURORA CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 13 - PENSION PLAN

Plan Description:

Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following pension trust funds:

Public Employees Noncontributory Retirement System (Noncontributory System) is a multiple employer, cost sharing, public employee retirement system.

Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System): and the Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) is a multiple employer, cost sharing, public employee retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The System's defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S., Salt Lake City, Utah, 84102 or visiting the website: www.urs.org.

Benefits:

URS provides retirement, disability, and death benefits. Retirement benefits are as shown on the following page.

AURORA CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 13 - PENSION PLAN (CONTINUED)

<u>System</u>	<u>Final Average Salary</u>	<u>Years of Service Required and/or Age Eligible for Benefit</u>	<u>Benefit Percent Per Year of Service</u>	<u>Cola**</u>
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65*	2.0% per year all years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years any age 60* 10 years 62* 4 years age 65	1.5% per year all years	Up to 2.5%

* with actuarial reductions

** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

Contributions:

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates are as shown on following page:

AURORA CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 13 - PENSION PLAN (CONTINUED)
Utah Retirement Systems

	<u>Employee Paid</u>	<u>Paid by Employer for Employee</u>	<u>Employee Contribution Rates</u>
Contributory System			
111 - Local Governmental Division			
Tier 2	N/A	N/A	14.940%
Noncontributory System:			
15 - Local Governmental Division			
Tier 1	N/A	N/A	18.470%

Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2014, we reported a net pension asset of \$207 and a net pension liability of \$31,738.

	<u>Proportionate Share</u>	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>
Noncontributory System	0.0073092%	-	31,738
Tier 2 Public Employees System	0.0068208%	<u>207</u>	<u>-</u>
Total Net Pension Asset/Liability		<u><u>207</u></u>	<u><u>31,738</u></u>

The net pension asset and liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2014 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability was based upon actual historical employer contributions to the plan from the census data submitted to the plan for pay periods ending in 2014.

AURORA CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 13 - PENSION PLAN (CONTINUED)

For the year ended December 31, 2014, we recognized pension expense of \$249,247. At December 31, 2014 we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	-	1,225
Changes in assumptions	-	3,172
Net difference between projected and actual earnings on pension plan investments	748	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	<u>6,070</u>	<u>-</u>
Total	<u><u>6,818</u></u>	<u><u>4,397</u></u>

\$6,070 was reported as deferred outflows of resources to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2014. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Deferred Outflows (Inflows) of Resources</u>
Year Ended December 31,	
2015	(866)
2016	(866)
2017	(866)
2018	(825)
2019	(36)
Thereafter	(190)

AURORA CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 13 - PENSION PLAN (CONTINUED)

Actuarial Assumptions:

The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 Percent
Salary Increases	3.50 - 10.50 percent, average, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

Active member mortality rates are a function of the member's gender, occupation, and age and are developed based upon plan experience. Retiree mortality assumptions are highlighted in the table on the following page.

Retired Member Mortality

Class of Member

Educators

Men EDUM (90%)

Women EDUF (100%)

Public Safety and Firefighters

Men RP 2000mWC (100%)

Women EDUF (120%)

Local Government, Public Employees

Men RP 2000mWC (100%)

Women EDUF (120%)

EDUM = Constructed mortality table based on actual experience of male educators multiplied by given percentage

EDUF = Constructed mortality table based on actual experience of female educators multiplied by given percentage

RP 2000mWC = RP2000 Combined mortality table for males with white collar adjustments multiplied by given percentage

The actuarial assumptions used in the January 1, 2014, valuation were based on the results of an actuarial experience study for the five-year period of January 1, 2008 - December 31, 2013.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the table on the following page:

AURORA CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 13 - PENSION PLAN (CONTINUED)

Expected Return Arithmetic Basis			
Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity Securities	40 %	7.06 %	2.82 %
Debt Securities	20 %	0.80 %	0.16 %
Real Assets	13 %	5.10 %	0.66 %
Private Equity	9 %	11.30 %	1.02 %
Absolute Return	18 %	3.15 %	0.57 %
Cash and Cash Equivalents	0 %	0.00 %	0.00 %
Totals	100 %		5.23 %
			Inflation 2.75 %
			Expected arithmetic nominal return 7.98 %

The 7.50% investment rate of return is comprised of an inflation rate of 2.75%, a real return of 4.75% that is net of investment expense.

Discount Rate:

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate:

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate shown on the following page:

AURORA CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 13 - PENSION PLAN (CONTINUED)

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate Share of Net Pension (Asset)/Liability	77,673	31,531	(6,777)

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

**REQUIRED SUPPLEMENTARY
INFORMATION
(UNAUDITED)**

AURORA CITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETS
For The Fiscal Year Ended June 30, 2015

Budgetary Comparison Schedules:

The Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual presented in this section of the report are for the City's General Fund and the Municipal Building Authority Fund.

Budgeting and Budgetary Control:

Budgets for the General Fund and the Municipal Building Authority Fund are legally required and are prepared and adopted on the modified accrual basis of accounting.

Original budgets represent the revenue estimates and spending authority authorized by the City Council prior to the beginning of the year. Final budgets represent the original budget amounts plus any amendments made to the budget during the year by the Council through formal resolution. Final budgets do not include unexpended balances from the prior year because such balances automatically lapse to unreserved fund balance at the end of each year.

Current Year Budgetary Compliance:

For the year ended June 30, 2015, spending for all funds and departments for the General Fund and the Municipal Building Authority Fund were within the approved budgets.

AURORA CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For The Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	Budgetary Basis	Final Budget
Revenues:				
Taxes:				
General Property Taxes	43,962	43,962	44,111	149
Prior Years Property Taxes	1,500	700	663	(37)
Motor Carrier Tax	800	630	849	219
Circuit Breaker	950	975	972	(3)
General Sales and Use Taxes	116,000	125,000	128,948	3,948
Fee-In-Lieu	12,000	8,800	10,632	1,832
Franchise Tax	1,800	1,650	1,643	(7)
Total Taxes	177,012	181,717	187,818	6,101
Licenses and Permits:				
Business Licenses	825	900	925	25
Animal Licenses	1,200	1,050	1,160	110
Total Licenses and Permits	2,025	1,950	2,085	135
Intergovernmental Revenue:				
Class C Roads	40,000	45,000	43,497	(1,503)
State Grants	7,650	7,650	7,650	-
Total Intergovernmental Revenue	47,650	52,650	51,147	(1,503)
Charges for Services:				
Cemetery	1,250	2,800	3,000	200
Parks	4,100	4,300	4,546	246
Total Charges for Services	5,350	7,100	7,546	446
Fines and Forfeitures	3,150	4,150	4,656	506
Other Revenue:				
Interest	3,500	3,650	3,897	247
Other	18,800	6,400	6,395	(5)
Sale of Capital Assets	-	28,750	28,750	-
Use of Fund Balance	15,750	33,896	-	(33,896)
Total Miscellaneous Revenue	38,050	72,696	39,042	(33,654)
Total Revenues	273,237	320,263	292,294	(27,969)

AURORA CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For The Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	Budgetary Basis	Final Budget
Expenditures:				
General Government:				
City Council and Mayor	12,050	12,750	12,623	127
Administrative	53,050	49,910	49,298	612
Justice Courts	19,720	19,800	18,371	1,429
Total General Government	84,820	82,460	80,292	2,168
Public Safety:				
Police Department	11,680	11,250	9,803	1,447
Fire Department	10,195	11,370	10,787	583
Animal Control	4,025	2,195	2,156	39
Total Public Safety	25,900	24,815	22,746	2,069
Highway and Public Improvements:				
Streets and Highways	30,400	40,550	40,514	36
Class C Roads	40,000	32,300	30,076	2,224
Total Highways and Public Improvements	70,400	72,850	70,590	2,260
Parks and Recreation:				
Parks	39,850	36,300	34,634	1,666
Recreation	24,000	3,000	3,000	-
Cemetery	6,000	6,050	5,689	361
Total Parks and Recreation	69,850	45,350	43,323	2,027
Nondepartmental:				
Transfers To Capital Projects Fund	-	38,750	28,750	10,000
Budgeted Increase in Fund Balance	22,267	56,038	-	56,038
Total Nondepartmental	22,267	94,788	28,750	66,038
Total Expenditures	273,237	320,263	245,701	74,562
Excess Revenues Over (Under) Expenditures	-	-	46,593	46,593
Fund Balance - Beginning			320,814	
Fund Balance - Ending			367,407	

AURORA CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MUNICIPAL BUILDING AUTHORITY
For The Fiscal Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Final Budget</u>
Revenues:				
Intergovernmental:				
Lease Revenue	10,000	10,000	10,000	-
Grant Revenue	104,000	104,000	104,000	-
Bond Proceeds	104,000	104,000	-	(104,000)
Transfer In	38,775	38,775	-	(38,775)
Total Intergovernmental	256,775	256,775	114,000	(142,775)
Other Revenue:				
Interest	150	150	202	52
Total Revenues	256,925	256,925	114,202	(142,723)
Expenditures:				
General Government:				
Capital Projects	246,925	246,925	21,860	225,065
Debt Service	10,000	10,000	10,000	-
Total Expenditures	256,925	256,925	31,860	225,065
Excess Revenues Over (Under) Expenditures	-	-	82,342	82,342
Other Financing Sources (Uses):				
Bond Proceeds			104,000	
Fund Balance - Beginning			-	
Fund Balance - Ending			186,342	

AURORA CITY
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
UTAH RETIREMENT SYSTEMS
December 31, 2014
Last 10 Fiscal Years*

	<u>Noncontributory System</u>	<u>Tier 2 Public Employees System</u>
Proportion of the Net Pension Liability (Asset)	0.0073092 %	0.0068208 %
Proportionate Share of the Net Pension Liability (Asset)	31,728	207
Covered Employee Payroll	52,896	33,446
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	60.0 %	-0.6 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.2 %	103.5 %

* In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their proportionate share of the Net Pension Liability (Asset) in their RSI. The 10-year schedule will need to be built prospectively. The schedule above is only for the current year.

AURORA CITY
SCHEDULE OF CONTRIBUTIONS
UTAH RETIREMENT SYSTEMS
December 31, 2014
Last 10 Fiscal Years*

	Noncontributory System	Tier 2 Public Employees System
Contractually Required Contribution	11,488	2,814
Contributions in Relation to the Contractually Required Contribution	<u>(11,488)</u>	<u>(2,814)</u>
Contribution Deficiency (Excess)	<u><u>-</u></u>	<u><u>-</u></u>
 Covered Employee Payroll	 52,896	 33,446
Contributions as a Percentage of Covered-Employee Payroll **	21.72 %	8.41 %

* Amounts presented were determined as of calendar year January 1 - December 31. Employers will be required to prospectively develop this table in future years to show 10-years of information. The schedule above is only for the current year.

** Contributions as a percentage of covered-employee payroll may be different than the Board certified rate due to rounding of other administrative issues.

COMBINING FINANCIAL STATEMENTS

AURORA CITY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
June 30, 2015

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
ASSETS:				
Cash and Investments	19,840	520	360	20,000
TOTAL ASSETS	19,840	520	360	20,000
LIABILITIES:				
Due to Veteran's Memorial	19,840	520	360	20,000
TOTAL LIABILITIES	19,840	520	360	20,000

COMPLIANCE SECTION

Kimball & Roberts

A Professional Corporation
Certified Public Accountants
176 North Main • P.O. Box 663
Richfield, Utah 84701

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and City Council
Aurora City
Aurora, Utah 84620

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental-type activities, the business-type activities, each major and the aggregate remaining fund information of Aurora City, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Aurora City's financial statements, and have issued our report thereon dated December 21, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Aurora City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Aurora City's internal control. Accordingly, we do not express an opinion on the effectiveness of Aurora City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


Compliance and Other Matters

As part of obtaining reasonable assurance about whether Aurora City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted a certain matters that we reported to management of Aurora City in the accompanying *Independent Auditor's Report in Accordance with the State Compliance Audit Guide on Compliance with General State Compliance Requirements and on Internal Control Over Compliance*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing or internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


KIMBALL & ROBERTS, P. C.
Certified Public Accountants

December 21, 2015
Richfield, Utah

Kimball & Roberts

A Professional Corporation
Certified Public Accountants
176 North Main • P.O. Box 663
Richfield, Utah 84701

INDEPENDENT AUDITOR'S REPORT IN ACCORDANCE WITH THE STATE COMPLIANCE AUDIT GUIDE ON COMPLIANCE WITH GENERAL STATE COMPLIANCE REQUIREMENTS AND ON INTERNAL CONTROL OVER COMPLIANCE

Honorable Mayor and City Council
Aurora City
Aurora, Utah 84620

Report on Compliance with General State Compliance Requirements and for Each Major State Program

We have audited Aurora City's compliance with the applicable general state and major state program compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the City or each of its major state programs for the year ended June 30, 2015.

General state compliance requirements were tested for the year ended June 30, 2015 in the following areas:

Budgetary Compliance
Fund Balance
Justice Courts
Utah Retirement Systems
Restricted Taxes
Open and Public Meetings Act

Cash Management
Impact Fees
Governments Records Access Management Act
Conflicts of Interest
Nepotism

The City did not have any State funding classified as a major program during the year ended June 30, 2015.

Management's Responsibility

Management is responsible for compliance with the general state requirements referred to above and the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the and *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the City occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with general state compliance requirements. However, our audit does not provide a legal determination of the City's compliance.

Opinion on General State Compliance Requirements

In our opinion, Aurora City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the City for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the *State Compliance Audit Guide* and which is described below. Our opinion on compliance is not modified with respect to this matter.

The City's response to the noncompliance finding identified in our audit is described below. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Finding: State Compliance – Open and Public Meetings Act

We noted that the City has not posted the minutes of meetings to the Utah Public Notice website within three days of the minutes being approved as required.

Recommendation:

We recommend that the City has post the minutes of meetings to the Utah Public Notice website within three days of the minutes being approved as required.

City's Response:

The City will post the minutes of meetings to the Utah Public Notice website within three days of the minutes being approved.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the compliance requirements that could have a direct and material effect on the City to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a general state compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a general state compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance*, is a deficiency, or a combination of deficiencies, in internal control over compliance with a general state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.


KIMBALL & ROBERTS, P. C.
Certified Public Accountants

December 21, 2015
Richfield, Utah